

PREVAILED

Roll Call No. _____

FAILED

Ayes _____

WITHDRAWN

Noes _____

RULED OUT OF ORDER

HOUSE MOTION _____

MR. SPEAKER:

I move that Engrossed Senate Bill 422 be amended to read as follows:

- 1 Page 3, between lines 31 and 32, begin a new paragraph and insert:
2 "SECTION 4. IC 6-3-2-8, AS AMENDED BY P.L.289-2001,
3 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 JANUARY 1, 2004]: Sec. 8. (a) For purposes of this section, "qualified
5 employee" means an individual who is employed by a taxpayer, **a pass**
6 **through entity**, an employer exempt from adjusted gross income tax
7 (IC 6-3-1 through IC 6-3-7) under IC 6-3-2-2.8(3), IC 6-3-2-2.8(4), or
8 IC 6-3-2-2.8(5), a nonprofit entity, the state, a political subdivision of
9 the state, or the United States government and who:
10 (1) has the employee's principal place of residence in the
11 enterprise zone in which the employee is employed;
12 (2) performs services for the taxpayer, the employer, the nonprofit
13 entity, the state, the political subdivision, or the United States
14 government, ninety percent (90%) of which are directly related to:
15 (A) the conduct of the taxpayer's or employer's trade or
16 business; or
17 (B) the activities of the nonprofit entity, the state, the political
18 subdivision, or the United States government;
19 that is located in an enterprise zone; and
20 (3) performs at least fifty percent (50%) of the employee's service
21 for the taxpayer or employer during the taxable year in the
22 enterprise zone.
23 **(b) For purposes of this section, "pass through entity" means a:**
24 **(1) corporation that is exempt from the adjusted gross income**

- 1 **tax under IC 6-3-2-2.8(2);**
 2 **(2) partnership;**
 3 **(3) trust;**
 4 **(4) limited liability company; or**
 5 **(5) limited liability partnership.**
 6 (c) Except as provided in subsection ~~(c)~~, (d), a qualified employee
 7 is entitled to a deduction from his adjusted gross income in each
 8 taxable year in the amount of the lesser of:
 9 (1) one-half (1/2) of his adjusted gross income for the taxable year
 10 that he earns as a qualified employee; or
 11 (2) seven thousand five hundred dollars (\$7,500).
 12 ~~(c)~~ (d) No qualified employee is entitled to a deduction under this
 13 section for a taxable year that begins after the termination of the
 14 enterprise zone in which he resides."
 15 Page 13, between lines 31 and 32, begin a new paragraph and insert:
 16 "SECTION 15. [EFFECTIVE JANUARY 1, 2004] **IC 6-3-2-8, as**
 17 **amended by this act, applies to taxable years beginning after**
 18 **December 31, 2003.**"
 19 Re-number all SECTIONS consecutively.
 (Reference is to ESB 422 as printed March 21, 2003.)

Representative Frenz